

Adopted	Rejected
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COMMITTEE REPORT

YES:	26
NO:	0

MR. SPEAKER:

*Your Committee on Ways and Means, to which was referred House Bill 1155, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

1 Page 1, delete lines 1 through 6, begin a new paragraph and insert:
 2 "SECTION 1. IC 6-3.5-1.1-2, AS AMENDED BY P.L.178-2002,
 3 SECTION 52, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 4 UPON PASSAGE]: Sec. 2. (a) The county council of any county in
 5 which the county option income tax will not be in effect on July 1 of a
 6 year under an ordinance adopted during a previous calendar year may
 7 impose the county adjusted gross income tax on the adjusted gross
 8 income of county taxpayers of its county effective July 1 of that year.
 9 (b) Except as provided in section 2.5, 2.7, 2.8, 2.9, **3.3**, 3.5, or 3.6
 10 of this chapter, the county adjusted gross income tax may be imposed
 11 at a rate of one-half of one percent (0.5%), three-fourths of one percent
 12 (0.75%), or one percent (1%) on the adjusted gross income of resident
 13 county taxpayers of the county. Any county imposing the county
 14 adjusted gross income tax must impose the tax on the nonresident

1 county taxpayers at a rate of one-fourth of one percent (0.25%) on their
 2 adjusted gross income. If the county council elects to decrease the
 3 county adjusted gross income tax, the county council may decrease the
 4 county adjusted gross income tax rate in increments of one-tenth of one
 5 percent (0.1%).

6 (c) To impose the county adjusted gross income tax, the county
 7 council must, after January 1 but before April 1 of a year, adopt an
 8 ordinance. The ordinance must substantially state the following:

9 "The _____ County Council imposes the county adjusted
 10 gross income tax on the county taxpayers of _____ County.
 11 The county adjusted gross income tax is imposed at a rate of
 12 _____ percent (_____%) on the resident county taxpayers of the
 13 county and one-fourth of one percent (0.25%) on the nonresident
 14 county taxpayers of the county. This tax takes effect July 1 of this
 15 year."

16 (d) Any ordinance adopted under this section takes effect July 1 of
 17 the year the ordinance is adopted.

18 (e) The auditor of a county shall record all votes taken on
 19 ordinances presented for a vote under the authority of this section and
 20 immediately send a certified copy of the results to the department by
 21 certified mail.

22 (f) If the county adjusted gross income tax had previously been
 23 adopted by a county under IC 6-3.5-1 (before its repeal on March 15,
 24 1983) and that tax was in effect at the time of the enactment of this
 25 chapter, then the county adjusted gross income tax continues in that
 26 county at the rates in effect at the time of enactment until the rates are
 27 modified or the tax is rescinded in the manner prescribed by this
 28 chapter. If a county's adjusted gross income tax is continued under this
 29 subsection, then the tax shall be treated as if it had been imposed under
 30 this chapter and is subject to rescission or reduction as authorized in
 31 this chapter.

32 SECTION 2. IC 6-3.5-1.1-3.3 IS ADDED TO THE INDIANA
 33 CODE AS A NEW SECTION TO READ AS FOLLOWS
 34 [EFFECTIVE UPON PASSAGE]: **Sec. 3.3. This section applies only**
 35 **to a county that:**

36 **(1) operates a county jail that is subject to an order that:**

37 **(A) was issued by a federal district court before January 1,**
 38 **2003; and**

- 1 **(B) has not been terminated;**
 2 **(2) operates a county jail that fails to meet:**
 3 **(A) American Correctional Association Jail Construction**
 4 **Standards; and**
 5 **(B) Indiana jail operation standards adopted by the**
 6 **department of correction; and**
 7 **(3) has insufficient revenue to finance the construction,**
 8 **acquisition, improvement, renovation, and equipping of a**
 9 **county jail and related buildings and parking facilities."**

10 Page 2, line 7, delete "This subsection applies after December 31,
 11 2003."

12 Page 2, line 20, delete "twenty-five" and insert "**thirty (30)**".

13 Page 2, line 21, delete "(25)".

14 Page 3, between lines 15 and 16, begin a new paragraph and insert:

15 "SECTION 3. IC 6-3.5-1.1-10, AS AMENDED BY P.L.157-2002,
 16 SECTION 2, AND AS AMENDED BY P.L.178-2002, SECTION 57,
 17 IS CORRECTED AND AMENDED TO READ AS FOLLOWS
 18 [EFFECTIVE UPON PASSAGE]: Sec. 10. (a) *Except as provided in*
 19 *subsection (b), one-half (1/2) of each adopting county's certified*
 20 *distribution for a calendar year shall be distributed from its account*
 21 *established under section 8 of this chapter to the appropriate county*
 22 *treasurer on May 1 and the other one-half (1/2) on November 1 of that*
 23 *calendar year.*

24 *(b) This subsection applies to a county having a population of more*
 25 *than one hundred forty-five thousand (145,000) but less than one*
 26 *hundred forty-eight thousand (148,000). Notwithstanding section 9 of*
 27 *this chapter, the initial certified distribution certified for a county*
 28 *under section 9 of this chapter shall be distributed to the county*
 29 *treasurer from the account established for the county under section 8*
 30 *of this chapter according to the following schedule during the eighteen*
 31 *(18) month period beginning on July 1 of the year in which the county*
 32 *initially adopts an ordinance under section 2 of this chapter:*

33 *(1) One-fourth (1/4) on October 1 of the year in which the*
 34 *ordinance was adopted.*

35 *(2) One-fourth (1/4) on January 1 of the calendar year following*
 36 *the year in which the ordinance was adopted.*

37 *(3) One-fourth (1/4) on May 1 of the calendar year following the*
 38 *year in which the ordinance was adopted.*

(4) One-fourth (1/4) on November 1 of the calendar year following the year in which the ordinance was adopted.

Notwithstanding section 11 of this chapter, the part of the certified distribution received under subdivision (1) that would otherwise be allocated to a civil taxing unit or school corporation as property tax replacement credits under section 11 of this chapter shall be set aside and treated for the calendar year when received by the civil taxing unit or school corporation as a levy excess subject to IC 6-1.1-18.5-17 or IC 6-1.1-19-1.7. Certified distributions made to the county treasurer for calendar years following the eighteen (18) month period described in this subsection shall be made as provided in subsection (a).

~~(b)~~ (c) Except for:

(1) revenue that must be used to pay the costs of operating a jail and juvenile detention center under section 2.5(d) of this chapter;

(2) revenue that must be used to pay the costs of:

(A) financing, constructing, acquiring, improving, renovating, or equipping facilities and buildings;

(B) debt service on bonds; or

(C) lease rentals;

under section 2.8 of this chapter;

(3) revenue that must be used to pay the costs of construction, improvement, ~~or~~ renovation, *or remodeling* of a jail *and related buildings and parking structures* under section 2.7 ~~or~~ 2.9, **or 3.3** of this chapter; ~~or~~

~~(3)~~ (4) revenue that must be used to pay the costs of operating and maintaining a jail and justice center under section 3.5(d) of this chapter; *or*

(5) revenue that must be used to pay the costs of constructing, acquiring, improving, renovating, or equipping a county courthouse under section 3.6 of this chapter;

distributions made to a county treasurer under ~~subsection~~ subsections (a) and (b) shall be treated as though they were property taxes that were due and payable during that same calendar year. *Except as provided by subsection (b),* the certified distribution shall be distributed and used by the taxing units and school corporations as provided in sections 11 through 15 of this chapter.

~~(c)~~ (d) All distributions from an account established under section 8 of this chapter shall be made by warrants issued by the auditor of the

1 state to the treasurer of the state ordering the appropriate payments.

2 SECTION 4. IC 6-3.5-1.1-11, AS AMENDED BY P.L.178-2002,

3 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

4 UPON PASSAGE]: Sec. 11. (a) Except for:

5 (1) revenue that must be used to pay the costs of operating a jail

6 and juvenile detention center under section 2.5(d) of this chapter;

7 (2) revenue that must be used to pay the costs of:

8 (A) financing, constructing, acquiring, improving, renovating,

9 or equipping facilities and buildings;

10 (B) debt service on bonds; or

11 (C) lease rentals;

12 under section 2.8 of this chapter;

13 (3) revenue that must be used to pay the costs of construction,

14 improvement, renovation, or remodeling of a jail and related

15 buildings and parking structures under section 2.7, ~~or 2.9~~, **or 3.3**

16 of this chapter;

17 (4) revenue that must be used to pay the costs of operating and

18 maintaining a jail and justice center under section 3.5(d) of this

19 chapter; or

20 (5) revenue that must be used to pay the costs of constructing,

21 acquiring, improving, renovating, or equipping a county

22 courthouse under section 3.6 of this chapter;

23 the certified distribution received by a county treasurer shall, in the

24 manner prescribed in this section, be allocated, distributed, and used

25 by the civil taxing units and school corporations of the county as

26 certified shares and property tax replacement credits.

27 (b) Before August 2 of each calendar year, each county auditor shall

28 determine the part of the certified distribution for the next succeeding

29 calendar year that will be allocated as property tax replacement credits

30 and the part that will be allocated as certified shares. The percentage

31 of a certified distribution that will be allocated as property tax

32 replacement credits or as certified shares depends upon the county

33 adjusted gross income tax rate for resident county taxpayers in effect

34 on August 1 of the calendar year that precedes the year in which the

35 certified distribution will be received. The percentages are set forth in

36 the following table:

37	PROPERTY	
38	COUNTY	TAX

1	ADJUSTED GROSS	REPLACEMENT	CERTIFIED
2	INCOME TAX RATE	CREDITS	SHARES
3	0.5%	50%	50%
4	0.75%	33 1/3%	66 2/3%
5	1%	25%	75%

6 (c) The part of a certified distribution that constitutes property tax
7 replacement credits shall be distributed as provided under sections 12,
8 13, and 14 of this chapter.

9 (d) The part of a certified distribution that constitutes certified
10 shares shall be distributed as provided by section 15 of this chapter.

11 SECTION 11. IC 6-3.5-7-5, AS AMENDED BY P.L.192-2002(ss),
12 SECTION 121, IS AMENDED TO READ AS FOLLOWS
13 [EFFECTIVE UPON PASSAGE]: Sec. 5. (a) Except as provided in
14 subsection (c), the county economic development income tax may be
15 imposed on the adjusted gross income of county taxpayers. The entity
16 that may impose the tax is:

- 17 (1) the county income tax council (as defined in IC 6-3.5-6-1) if
- 18 the county option income tax is in effect on January 1 of the year
- 19 the county economic development income tax is imposed;
- 20 (2) the county council if the county adjusted gross income tax is
- 21 in effect on January 1 of the year the county economic
- 22 development tax is imposed; or
- 23 (3) the county income tax council or the county council,
- 24 whichever acts first, for a county not covered by subdivision (1)
- 25 or (2).

26 To impose the county economic development income tax, a county
27 income tax council shall use the procedures set forth in IC 6-3.5-6
28 concerning the imposition of the county option income tax.

29 (b) Except as provided in subsections (c), (g), (k), and (p), the
30 county economic development income tax may be imposed at a rate of:

- 31 (1) one-tenth percent (0.1%);
- 32 (2) two-tenths percent (0.2%);
- 33 (3) twenty-five hundredths percent (0.25%);
- 34 (4) three-tenths percent (0.3%);
- 35 (5) thirty-five hundredths percent (0.35%);
- 36 (6) four-tenths percent (0.4%);
- 37 (7) forty-five hundredths percent (0.45%); or
- 38 (8) five-tenths percent (0.5%);

1 on the adjusted gross income of county taxpayers.

2 (c) Except as provided in subsection (h), (i), (j), (k), (l), (m), (n), (o),
3 or (p), the county economic development income tax rate plus the
4 county adjusted gross income tax rate, if any, that are in effect on
5 January 1 of a year may not exceed one and twenty-five hundredths
6 percent (1.25%). Except as provided in subsection (g) or (p), the county
7 economic development tax rate plus the county option income tax rate,
8 if any, that are in effect on January 1 of a year may not exceed one
9 percent (1%).

10 (d) To impose, increase, decrease, or rescind the county economic
11 development income tax, the appropriate body must, after January 1 but
12 before April 1 of a year, adopt an ordinance. The ordinance to impose
13 the tax must substantially state the following:

14 "The _____ County _____ imposes the county economic
15 development income tax on the county taxpayers of _____
16 County. The county economic development income tax is imposed at
17 a rate of _____ percent (____%) on the county taxpayers of the
18 county. This tax takes effect July 1 of this year."

19 (e) Any ordinance adopted under this chapter takes effect July 1 of
20 the year the ordinance is adopted.

21 (f) The auditor of a county shall record all votes taken on ordinances
22 presented for a vote under the authority of this chapter and shall, not
23 more than ten (10) days after the vote, send a certified copy of the
24 results to the commissioner of the department by certified mail.

25 (g) This subsection applies to a county having a population of more
26 than one hundred forty-eight thousand (148,000) but less than one
27 hundred seventy thousand (170,000). Except as provided in subsection
28 (p), in addition to the rates permitted by subsection (b), the:

29 (1) county economic development income tax may be imposed at
30 a rate of:

31 (A) fifteen-hundredths percent (0.15%);

32 (B) two-tenths percent (0.2%); or

33 (C) twenty-five hundredths percent (0.25%); and

34 (2) county economic development income tax rate plus the county
35 option income tax rate that are in effect on January 1 of a year
36 may equal up to one and twenty-five hundredths percent (1.25%);

37 if the county income tax council makes a determination to impose rates
38 under this subsection and section 22 of this chapter.

(h) For a county having a population of more than forty-one thousand (41,000) but less than forty-three thousand (43,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and thirty-five hundredths percent (1.35%) if the county has imposed the county adjusted gross income tax at a rate of one and one-tenth percent (1.1%) under IC 6-3.5-1.1-2.5.

(i) For a county having a population of more than thirteen thousand five hundred (13,500) but less than fourteen thousand (14,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and fifty-five hundredths percent (1.55%).

(j) For a county having a population of more than seventy-one thousand (71,000) but less than seventy-one thousand four hundred (71,400), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

(k) This subsection applies to a county having a population of more than twenty-seven thousand four hundred (27,400) but less than twenty-seven thousand five hundred (27,500). Except as provided in subsection (p), in addition to the rates permitted under subsection (b):

(1) the county economic development income tax may be imposed at a rate of twenty-five hundredths percent (0.25%); and

(2) the sum of the county economic development income tax rate and the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%);

if the county council makes a determination to impose rates under this subsection and section 22.5 of this chapter.

(l) For a county having a population of more than twenty-nine thousand (29,000) but less than thirty thousand (30,000), except as provided in subsection (p), the county economic development income tax rate plus the county adjusted gross income tax rate that are in effect on January 1 of a year may not exceed one and five-tenths percent (1.5%).

- 1 (m) For:
- 2 (1) a county having a population of more than one hundred
- 3 eighty-two thousand seven hundred ninety (182,790) but less than
- 4 two hundred thousand (200,000); or
- 5 (2) a county having a population of more than forty-five thousand
- 6 (45,000) but less than forty-five thousand nine hundred (45,900);
- 7 except as provided in subsection (p), the county economic development
- 8 income tax rate plus the county adjusted gross income tax rate that are
- 9 in effect on January 1 of a year may not exceed one and five-tenths
- 10 percent (1.5%).
- 11 (n) For a county having a population of more than six thousand
- 12 (6,000) but less than eight thousand (8,000), except as provided in
- 13 subsection (p), the county economic development income tax rate plus
- 14 the county adjusted gross income tax rate that are in effect on January
- 15 1 of a year may not exceed one and five-tenths percent (1.5%).
- 16 (o) This subsection applies to a county having a population of more
- 17 than thirty-nine thousand (39,000) but less than thirty-nine thousand
- 18 six hundred (39,600). Except as provided in subsection (p), in addition
- 19 to the rates permitted under subsection (b):
- 20 (1) the county economic development income tax may be imposed
- 21 at a rate of twenty-five hundredths percent (0.25%); and
- 22 (2) the sum of the county economic development income tax rate
- 23 and:
- 24 (A) the county adjusted gross income tax rate that are in effect
- 25 on January 1 of a year may not exceed one and five-tenths
- 26 percent (1.5%); or
- 27 (B) the county option income tax rate that are in effect on
- 28 January 1 of a year may not exceed one and twenty-five
- 29 hundredths percent (1.25%);
- 30 if the county council makes a determination to impose rates under this
- 31 subsection and section 24 of this chapter.
- 32 (p) In addition:
- 33 (1) the county economic development income tax may be imposed
- 34 at a rate that exceeds by not more than twenty-five hundredths
- 35 percent (0.25%) the maximum rate that would otherwise apply
- 36 under this section; and
- 37 (2) the:
- 38 (A) county economic development income tax; and

1 (B) county option income tax or county adjusted gross income
 2 tax;
 3 may be imposed at combined rates that exceed by not more than
 4 twenty-five hundredths percent (0.25%) the maximum combined
 5 rates that would otherwise apply under this section.

6 However, the additional rate imposed under this subsection may not
 7 exceed the amount necessary to mitigate the increased ad valorem
 8 property taxes on homesteads (as defined in IC 6-1.1-20.9-1) resulting
 9 from the deduction of the assessed value of inventory in the county
 10 under IC 6-1.1-12-41 or IC 6-1.1-12-42.

11 (q) If the county economic development income tax is imposed as
 12 authorized under subsection (p) at a rate that exceeds the maximum
 13 rate that would otherwise apply under this section, the certified
 14 distribution must be used for the purpose provided in section 25(e) or
 15 26 of this chapter to the extent that the certified distribution results
 16 from the difference between:

- 17 (1) the actual county economic development tax rate; and
- 18 (2) the maximum rate that would otherwise apply under this
- 19 section.

20 **(r) Except as provided in subsection (p), the county economic**
 21 **development income tax rate plus the county adjusted gross income**
 22 **tax rate that are in effect on January 1 of a year may not exceed**
 23 **one and five-tenths percent (1.5%) if the county has imposed the**
 24 **county adjusted gross income tax under IC 6-3.5-1.1-3.3.**

25 SECTION 6. [EFFECTIVE UPON PASSAGE] (a) As used in this
 26 SECTION, "department" refers to the department of state
 27 revenue.

28 (b) Notwithstanding IC 6-3.5-1.1-3, the county council of a
 29 county described in IC 6-3.5-1.1-3.3, as added by this act, may
 30 adopt an ordinance to increase the county's county adjusted gross
 31 income tax rate after March 31, 2003, and before January 1, 2004.

32 (c) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
 33 this SECTION before June 1, 2003, takes effect July 1, 2003. In
 34 determining the certified distribution for the calendar year
 35 beginning January 1, 2004, as required under IC 6-3.5-1.1-9 to be
 36 performed before July 2, 2003, for a county adopting an ordinance
 37 within the time specified in this subsection, the department shall
 38 take into account the certified ordinance forwarded to the

1 department under IC 6-3.5-1.1-3(c) in determining the amount of
2 the county's certified distribution for the calendar year beginning
3 January 1, 2004.

4 (d) Notwithstanding IC 6-3.5-1.1-3, an ordinance adopted under
5 this SECTION after May 31, 2003, and before January 1, 2004,
6 takes effect January 1, 2004. Not later than thirty (30) days after
7 receiving the certified ordinance under IC 6-3.5-1.1-3(c) from a
8 county adopting an ordinance within the time specified in this
9 subsection, the department shall revise the county's certified
10 distribution determined under IC 6-3.5-1.1-9 for the calendar year
11 beginning January 1, 2004, to take into account the increased
12 county adjusted gross income tax rate specified in the certified
13 ordinance. Notwithstanding IC 6-3.5-1.1-10, as amended by this
14 act, the first distribution reflecting the increased county adjusted

1 **gross income tax rate shall be made to the county treasurer**
2 **beginning November 1, 2004."**

3 Renumber all SECTIONS consecutively.
 (Reference is to HB 1155 as introduced.)

and when so amended that said bill do pass.

Representative Crawford